

VZCZCXYZ0005
OO RUEHWEB

DE RUEHBU #1414/01 1742044
ZNR UUUUU ZZH
O 232044Z JUN 06
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5012
INFO RHMFISS/CDR USSOCOM MACDILL AFB FL//SCJ2//
RULGPIA/USCOMSOLANT

UNCLAS BUENOS AIRES 001414

SIPDIS

STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,
WHA/EPSC
CDR USSOCOM FOR J-2 IAD/LAMA

SIPDIS

E.O. 12958: N/A

TAGS: [KPAO](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)

SUBJECT: MEDIA REACTION: NORTH KOREA; KIRCHNER IN SPAIN;
US-VENEZUELA; US-BOLIVIA; IMF AND ARGENTINA 06/23/06; BUENOS AIRES

1. SUMMARY STATEMENT

Today's key international stories include North Korea warning Washington about a possible military confrontation between the two countries; the alleged US campaign to avoid Venezuela's entry into the UN Security Council; the US Senate Foreign Relations Committee's resumption of a debate about the hemisphere's 'energy security;' the US Embassy in La Paz rebuffing Morales' charges that US troops entered the country disguised as tourists and students; and former Argentine Economy Minister Domingo Cavallo charging the US and the IMF for the country's 2001 economic crisis.

2. OPINION PIECES AND KEY STORIES

- "Pyongyang warns Washington about a possible 'military confrontation'"

Daily-of-record "La Nacion" (06/23) reports "North Korea said yesterday that chances for 'military clashes' with the US have increased as a consequence of the US spy flights over North Korea. Meanwhile, world tension increases over Pyongyang's alleged plan to test a long-range missile within reach of the US.

"... For its part, the US warned North Korea that if it performs an inter-continental missile test, it will have to face the 'consequences' of a US 'reaction.' The warning was launched by Assistant Defense Secretary Peter Rodman at the US Congress. Rodman, who is in charge of international security, did not go into details of the extent of the threat."

- "US offensive against Venezuela"

Daily-of-record "La Nacion" (06/23) reports "Latin America became the scenario of a ferocious and increasing US diplomatic campaign to avoid Venezuela's temporary entry into the UN Security Council. The White House fears President Hugo Chavez could use this chair to hinder US policies against Iran.

"This new confrontation between Caracas and Washington reached a peak of tension yesterday after a US diplomatic note was made public according to which if Chavez obtains this non-permanent chair, he will turn the UN Security Council into his own 'ideological tribune.'

"To avoid this, the White House launched an intense campaign to pressure the countries of the region to vote for Guatemala (a Washington ally), which also applied for the UN Security Council chair."

- "The US discusses how to lessen Chavez's influence"

Business-financial "El Cronista" reports (06/23) "Yesterday, the US

Senate's Foreign Relations Committee resumed the debate about the hemisphere's 'energy security' in a hearing in which former Argentine Economy Minister Domingo Cavallo and former head of PdVSA Luis Giusti participated.

"The head of the Committee, Republican Senator Richard Lugar, had ordered the GAO (Government Accountability Office) to analyze the impact of a cut in the Venezuelan oil supply...

"Lugar recalled yesterday that, according to the GAO's preliminary report, a six-month interruption in the Venezuelan oil supply to the US could cost the US economy some 23 billion dollars in its GDP. This is why, Lugar and Senators Ken Salazar and Larry Craig... are promoting a project to redefine the US energy diplomacy in Latin America and counteract Chavez's increasing regional influence."

- "The US rebuffs Evo and denies troop arrival"

Business-financial "Ambito Financiero" reports (06/23) "The US Embassy in La Paz assured yesterday that (Bolivian President) Evo Morales' charges that US military had entered Bolivia disguised as tourists and students are false.

"According to a spokesperson of the US Embassy in La Paz 'these are groundless charges.' The spokesperson pointed out that the embassy would not make any further comments on it."

- "Kirchner criticizes the US and defends Chavez and Morales"

On special assignment in Madrid for daily-of-record "La Nacion," writes (06/23) "With a quiet tone, President Nestor Kirchner marked a turning point in the country's strategy of integration into the world. Kirchner said that 'the US-Argentine bilateral relationship is cold,' charged Washington with not having granted enough support at the toughest moments of the Argentine crisis, and said he intends

to look to Europe, with Spain as his point of entry.

"He strongly defended the administrations of Evo Morales and Hugo Chavez.

"And he added that the US wants to turn Chavez into a 'little monster' although Venezuela's imports from the US amount to 25 billion dollars per year and Venezuela is the US' 'big oil supplier.'"

- "Cavallo blames the US and the IMF for the 2001 crisis"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," writes (06/23) "Four years and a half after his hurried departure from the Argentine Economy Ministry, Domingo Cavallo charged the IMF and the US for the Argentine crisis, said that the Argentine Government should allow the free flotation of the Argentine peso, and advised the elimination of price and public rates controls.

"Cavallo was invited by Republican Senator Richard Lugar to the US Senate Foreign Relations Committee in order to lecture on the 'judicial security in Latin America.' He added 'The US and the IMF could have helped, but they preferred to let Argentina go to hell.'"

To see more Buenos Aires reporting, visit our classified website at:
<http://www.state.sgov.gov/p/wha/buenosaires>

GUTIERREZ